

Cargill and Evolva Start Engineering Work on Production Facility for Next-Gen Stevia Sweeteners

EVOLVA INFORMS CARGILL OF INTENT TO EXERCISE 45% OPTION

Minneapolis, USA and Reinach, Switzerland, 11 May 2015 – Evolva and Cargill have agreed to begin the engineering phase for converting an existing Cargill manufacturing facility to produce next-generation stevia sweeteners (steviol glycosides). The ingredients are expected to be commercially available in 2016.

Stevia-based sweeteners are highly sought-after natural, zero-calorie sweeteners. However, their broader use is currently constrained by their taste at high usage levels, which can be bitter or have an after-taste. Certain stevia sweetener molecules such as Reb D and Reb M do not have this problem, but, because they only make up a tiny portion of the plant's leaf (much less than 1 percent), it is prohibitively costly to obtain them from the stevia plant.

Fermentation removes these constraints and should allow a dramatic expansion in the use of next generation stevia sweeteners, allowing food and beverage producers to create new classes of lower calorie products that taste great and are affordable to all. These sweeteners will be produced in a Cargill fermentation system in Blair, Nebraska. Using a larger existing facility gives the companies the flexibility to expand rapidly and cost-effectively to meet commercial demand.

Under terms of the 2013 joint development agreement between the two companies, Evolva received an option to obtain up to a 45% stake in the business to commercialize the sweeteners. Evolva has informed Cargill that it intends to exercise this 45% option, subject to final terms being agreed between the two companies. Total investment by Cargill and Evolva in the engineering phase will be USD 3 million. Evolva does not expect to incur further costs relating to the option exercise before the final agreement is in place, which is expected to be in the second half of 2015. Upon signing the final agreement Evolva anticipates that it will need to invest low tens of millions USD through 2017. Evolva is exploring various financing options in this context.

Per the 2013 agreement, if Evolva and Cargill cannot finalize terms on the option exercise, Evolva will receive royalty payments from global sales of the steviol glycoside products; these royalties will scale from mid-single digit to low double-digit percentages as a function of sales volume and other parameters. In this circumstance Cargill would repay Evolva's share of the engineering costs.

Evolva CEO **Neil Goldsmith** commented, *"We have been delighted by our close cooperation with Cargill over the past two-plus years. The decision to commence engineering work reflects our mutual desire and commitment to bring great tasting, cost-effective sweeteners to the market as soon as possible. While there remain risks which could impact the timing of the final product launch and consumer uptake, we are*

confident in our joint progress”.

“Adding new production capabilities at our Cargill Blair facility fits strategically with our overall growth plan and is an exciting and necessary step as we prepare for the commercialization of a next-generation sweetener,” stated **David Henstrom**, vice president for Health Ingredients at Cargill. *“This sweetener will offer a new, delicious choice for reduced and zero-calorie food and beverages.”*

– Ends –

DOWNLOAD PDF:

- [Press release in English \(www.evolva.com/sites/default/files/press-releases/evolva-cargill_commence_engineering_work_pr-11may2015_final.pdf\)](http://www.evolva.com/sites/default/files/press-releases/evolva-cargill_commence_engineering_work_pr-11may2015_final.pdf)
- [Press release in German \(www.evolva.com/sites/default/files/press-releases/evolva-cargill-11may2015-de.pdf\)](http://www.evolva.com/sites/default/files/press-releases/evolva-cargill-11may2015-de.pdf)

About Cargill

Cargill provides food, agriculture, financial and industrial products and services to the world. Together with farmers, customers, governments and communities, we help people thrive by applying our insights and nearly 150 years of experience. We have 145,000 employees in 67 countries who are committed to feeding the world in a responsible way, reducing environmental impact and improving the communities where we live and work. For more information, visit Cargill.com and our News Center.

About Evolva

Evolva is a pioneer and global leader in sustainable, fermentation-based approaches to ingredients for health, wellness and nutrition. Evolva’s products include stevia, vanillin, saffron and resveratrol. As well as developing its own proprietary ingredients, Evolva also deploys its technology for partners, providing them with a competitive edge and sharing in the returns they make. For more information see www.evolva.com (<http://www.evolva.com>) . Questions about our fermentation approach? Have a look at [our video \(http://www.evolva.com/technology/overall-concept\)](http://www.evolva.com/technology/overall-concept) .

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